

Gov's Off - Public Empl Retirement Syst Administration

Description:

PERSI administers a Defined Benefit (DB) retirement plan mandatory for all eligible state and school district employees and for employees of political subdivisions which have elected to participate. The plan also provides separation, disability, death and survivor benefits. PERSI also administers the sick leave/medical insurance reserve for state and school retirees and the former Firemen's Retirement Fund.

As part of the GAIN SHARING Program adopted by the 2000 Legislature, PERSI is required to establish and administer a defined contribution (DC) retirement plan for 53,000 active members of PERSI. This is an entirely new plan, in addition to and separate from the DB plan, which provides a 401(k) plan option to all members who are eligible. The PERSI budget increases reflect the establishment of this new plan in FY 2001 and FY 2002. In years in which investment earning and total DB plan assets sufficiently exceed liabilities plus a one standard deviation reserve, the PERSI board may declare a portion of the excess earnings as gain sharing. When gain sharing is authorized, active members will receive their allocation in the form of a transfer into their DC account. Retirees will receive a 13th check. Employers will receive a credit against future contributions.

As a result of the gain sharing program and the new DC plan, some of the projections have been left blank pending the availability of new data and the possibility of revised performance standards.

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Provide secure retirement benefits by collecting, maintaining and distributing retirement funds as specified by law.
 - A. Keep 98% of employer contribution accounts receivable current.

Actual Results			
1997	1998	1999	2000
99.14%	99.37%	99.44%	99.02%
Projected Results			
2001	2002	2003	2004
99.00%	99.20%	99.40%	99.40%

- B. Retirement contributions collected.

Actual Results			
1997	1998	1999	2000
\$306,860,000	\$285,871,000	\$288,129,000	\$304,472,000
Projected Results			
2001	2002	2003	2004
\$239,644,100	\$332,491,000	\$347,453,100	\$363,088,500

- C. Pay all separation benefits within three weeks.

Actual Results			
1997	1998	1999	2000
4,710 (100%)	7,027 (100%)	6,386 (100%)	6,174 (100%)
Projected Results			
2001	2002	2003	2004
6,100	6,250	6,400	6,450

- D. Pay all new retirees on the first of the month following their retirement date.

Actual Results			
1997	1998	1999	2000
1,420 (100%)	1,440 (100%)	1,432 (100%)	1,412 (100%)
Projected Results			
2001	2002	2003	2004
1,600	1,660	1,785	1,910

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E. Benefits paid (retirement, separations, disability)

Actual Results			
1997	1998	1999	2000
\$187,640,000	\$205,589,000	\$219,600,000	\$244,892,000
Projected Results			
2001	2002	2003	2004
\$262,034,000	\$280,376,000	\$300,002,000	\$321,002,000

F. Keep total administrative expense less than 2% of total expense.

Actual Results			
1997	1998	1999	2000
1.45%	1.28%	1.37%	1.34%
Projected Results			
2001	2002	2003	2004
2.04%	1.85%	1.84%	1.84%

G. Keep administrative expense below .15% (15 basis points) of total asset market value.

Actual Results			
1997	1998	1999	2000
.06%	.05%	.05%	.05%
Projected Results			
2001	2002	2003	2004
.07%	.06%	.06%	.06%

- Assist our members and employer units by providing high quality service, retirement education and information.

A. Increase ratio of members to PERSI staff by 1% per year.

Actual Results			
1997	1998	1999	2000
1,959/1 (+2%)	2,006/1 (+2%)	2,067/1 (+3%)	2,113/1 (+2.2%)
Projected Results			
2001	2002	2003	2004
*	*	*	*

B. Active members.

Actual Results			
1997	1998	1999	2000
57,700	58,300	60,100	60,400
Projected Results			
2001	2002	2003	2004
61,300	62,200	63,100	64,000

C. Inactive Members.

Actual Results			
1997	1998	1999	2000
15,500	16,500	17,000	18,500
Projected Results			
2001	2002	2003	2004
18,000	18,500	19,000	19,000

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D. Retired members.

Actual Results			
1997	1998	1999	2000
20,850	21,500	22,100	22,500
Projected Results			
2001	2002	2003	2004
23,200	23,900	24,600	25,300

E. Total system membership including actives, retirees, and inactive.

Actual Results			
1997	1998	1999	2000
94,050	96,300	99,200	101,300
Projected Results			
2001	2002	2003	2004
103,400	105,500	107,600	

F. Number of PERSI staff FTP.

Actual Results			
1997	1998	1999	2000
48.00	48.00	48.00	48.00
Projected Results			
2001	2002	2003	2004
56.00	62.00	65.00	65.00

G. Estimated number of call-in customers (all three offices).

Actual Results			
1997	1998	1999	2000
54,260	62,500	63,200	65,400
Projected Results			
2001	2002	2003	2004
66,710	68,040	69,400	70,790

H. Total number of employer units.

Actual Results			
1997	1998	1999	2000
618	614	617	638
Projected Results			
2001	2002	2003	2004
645	645	650	650

I. Increase member attendance at PERSI workshops/presentations by 25% per year. *Decrease due to field staff involvement in galena project unavailable to do presentations.

Actual Results			
1997	1998	1999	2000
1,745 (+60%)	2,269 (+30%)	1,964 (-13%)*	2,444 (+24%)
Projected Results			
2001	2002	2003	2004

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J. Keep benefit estimates within 3% of the actual benefit calculation.

Actual Results			
1997	1998	1999	2000
3.1% difference	3.3% difference	2.7% difference	2.0% difference
Projected Results			
2001	2002	2003	2004
2.0% difference	1.5% difference	1.5% difference	1.5% difference

K. Number of benefit estimates done by PERSI field representatives.

Actual Results			
1997	1998	1999	2000
5,571	6,160	6,940	7,467
Projected Results			
2001	2002	2003	2004
8,200	9,850	11,800	14,200

L. Maintain turnaround time of one week to microfilm documents.

Actual Results			
1997	1998	1999	2000
2 weeks	1.5 weeks	1.3 weeks	2 week
Projected Results			
2001	2002	2003	2004
1 week	.5 week	.5 week	.5 week

M. Number of documents microfilmed during the year.

Actual Results			
1997	1998	1999	2000
186,000	215,000	197,000	189,800
Projected Results			
2001	2002	2003	2004
180,000	175,000	170,000	165,000

N. Reduce the number of manually-entered data records by 50% (to 180,000) between the years 1996 and 2005.

Actual Results			
1997	1998	1999	2000
283,600	350,600	348,000	335,731
Projected Results			
2001	2002	2003	2004
325,000	315,000	220,000	180,000

Program Results and Effect:

PERSI administers a Defined Benefit (DB) retirement plan and, effective in 2001, a Defined Contribution (DC) plan providing secure, long-term retirement benefits for career public service employees. PERSI's members and beneficiaries receive direct benefits through retirement, disability, and death benefit programs.

Taxpayers benefit from PERSI programs because:

- 1) The DB plan helps to attract and retain public employees, creating a more stable workforce to provide needed public services more reliably.
- 2) PERSI's pooling of risks and benefits over a large employee/employer base provides economies of scale, as well as consistent professional management of assets and benefits.
- 3) The structure of the DB plans provides retirement benefits to career employees in a cost-effective manner. Gains from favorable investment results are returned to employers/employees in the form of stable contribution rates. Beginning in 2001, if approved by the PERSI board, excess gains will be distributed to employees, retirees and employers per Gain Sharing legislation.
- 4) The DB plans replace a portion of public employees' income after retirement. By providing guaranteed benefits, these plans help PERSI's retirees to be financially self-sufficient, and therefore, less likely to be dependent upon public welfare programs. The DC plan provides an additional and portable option for employees to build a secure retirement.

PERSI's Retirement Board, as well as the entire agency, exists for one reason: to service the interests of the system's beneficiaries. As fiduciaries, PERSI is entrusted to prudently and accurately collect, invest, maintain, and distribute retirement funds as specified by law.

For more information contact Jim Monroe at 334-2451, ext. 231.

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Portfolio Investment

Description:

The purpose of the investment of the Trust assets is to provide funds to meet the liabilities of the Public Employee Retirement System of Idaho (PERSI) while incurring the appropriate amount of risk consistent with attaining that goal.

Major Functions and Targeted Performance Standard(s) for Each Function:

- Investment of the PERSI Trust assets.

A. Meet 8% long-term hurdle rate of return on investments.

Actual Results			
1997	1998	1999	2000
19.60%	17.60%	11.60%	13.30%
Projected Results			
2001	2002	2003	2004
8.00%	8.00%	8.00%	8.00%

B. Annual portfolio investment income based on market value, net of fees.

Actual Results			
1997	1998	1999	2000
\$756,770,000	\$827,544,700	\$638,351,800	\$828,897,800
Projected Results			
2001	2002	2003	2004
\$613,040,000	\$682,600,000	\$720,124,000	\$798,000,000

C. Ending portfolio market value.

Actual Results			
1997	1998	1999	2000
\$4,749,500,000	\$5,655,524,000	\$6,355,646,000	\$7,238,590,000
Projected Results			
2001	2002	2003	2004
\$7,798,055,000	\$8,503,100,000	\$9,500,000,000	\$10,450,000,000

D. Number of investment fund managers at year-end.

Actual Results			
1997	1998	1999	2000
25	25	28	32
Projected Results			
2001	2002	2003	2004
34	34	35	36

E. Number of investment fund managers hired/fired during the fiscal year.

Actual Results			
1997	1998	1999	2000
3/1	4/4	3/0	4/0
Projected Results			
2001	2002	2003	2004
2/0	1/1	1/0	1/0

F. Keep risk (three-year standard deviation of return) at or below 12.5%.

Actual Results			
1997	1998	1999	2000
6.34%	8.00%	11.40%	12.40%
Projected Results			
2001	2002	2003	2004
12.50%	12.50%	12.50%	12.50%

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G. Keep contribution rate stable (with any increases due only to benefit plan enhancements). *Continue temporary decrease 1% permanent..

Actual Results			
1997	1998	1999	2000
Stable	Temp decrease	Temp decrease*	Stable
Projected Results			
2001	2002	2003	2004
Pending	Pending	Pending	Pending

H. Employer Contribution Rate.

Actual Results			
1997	1998	1999	2000
11.61%	9.77%	9.77%	9.77%
Projected Results			
2001	2002	2003	2004
Pending	Pending	Pending	Pending

I. Employee Contribution Rate.

Actual Results			
1997	1998	1999	2000
6.97%	5.86%	5.86%	5.86%
Projected Results			
2001	2002	2003	2004
Pending	Pending	Pending	Pending

J. Reduce the amortization period for the unfunded liability on or ahead of the adopted schedule.

Actual Results			
1997	1998	1999	2000
2.6 years	full funding	full funding	full funding
Projected Results			
2001	2002	2003	2004
full funding	full funding	full funding	full funding

K. Pay retirees the maximum Cost of Living Allowance (COLA) allowable by law.

Actual Results			
1997	1998	1999	2000
2.90% (max.)	2.20% (max.)	1.60% (max.)	3.4% (max.)
Projected Results			
2001	2002	2003	2004
100% of CPI	100% of CPI	100% of CPI	100% of CPI

Program Results and Effect:

The primary funding goal of PERSI is to maintain a well-funded system along with assuring stable contribution rates for employee and employer members, while granting annual Cost of Living Adjustments (COLAs) to retirees. In years with excess investment earnings, Gain Sharing may be declared by the PERSI board. Gain Sharing is then distributed to retirees, members and employers.

For more information contact Jim Monroe at 334-2451, ext. 231.

Gov's Off - Public Empl Retirement Syst 401 K

Description:

PERSI administers a 401K retirement savings program, which is available to all State employees.

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Administer the Idaho "Super-Saver" 401K plan.
 - A. Recruit 20% of State employees by the year 2000 (approximately 3,200/16,000).

Actual Results			
1997	1998	1999	2000
1,870 (11%)	2,161 (13%)	2,743 (17%)	3,150 (20%)
Projected Results			
2001	2002	2003	2004

- B. Dollar value of employee 401K accounts.

Actual Results			
1997	1998	1999	2000
\$4,800,000	\$9,500,000	\$14,800,000	\$20,400,000
Projected Results			
2001	2002	2003	2004

Program Results and Effect:

The State 401K plan provides a voluntary retirement savings program to all State employees, who benefit from tax deferral, investment flexibility, and automatic payroll deductions. Taxpayers benefit by having a public workforce that is motivated to contribute toward their own retirement and plan for personal financial security.

For more information contact Jim Monroe at 334-2451, ext. 231.